

**To the Mayor and Members of the City Council****March 22, 2016**

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SUBJECT: NEW CONVENTION HOTEL DEVELOPMENT UPDATE

This Informal Report is to provide information regarding the request for qualifications and request for proposals for the development of a convention hotel.

Hunden Strategic Partners, Inc., (HSP) conducted a market and feasibility analysis of Fort Worth's downtown hospitality market, including market demand for convention type hotels and a future expansion of the Fort Worth Convention Center (FWCC). On July 14, 2014, HSP presented its findings to City Council. The final report indicated, among other recommendations, that a second branded headquarters hotel of 1,000 rooms be added on a site adjacent to the FWCC.

Upon direction from City Council, HSP issued a Request for Qualifications (RFQ) for a convention hotel developer on September 10, 2015 for a project near the FWCC. Five submittals were received and on December 21, 2015 a Request for Proposals (RFP) was issued to two development firms.

During the RFP response phase, the developers requested information related to the timeline for the FWCC Phase III expansion, the timeline and cost of the infrastructure work on the realignment of Commerce Street, and amount of incentives available for the project. It is difficult for the City to provide assurances at this time on the timing and incentive possibilities due to commitments on other projects, specifically the new Arena at the Will Rogers Memorial Center.

As a result, the convention hotel project has been delayed until such time that the City is able to have sufficient information on available incentives for a developer to commit to a hotel project of this size and the timelines for the FWCC Phase III expansion and Commerce Street realignment have been identified.

Funding for the Arena project is scheduled for July 2017 and the financial model anticipates funding will be available to support the debt service for the expansion of the FWCC in approximately 2025.

If you have any questions, please contact Kirk Slaughter, Director of Facilities and Public Events at 817-392-2501.

David Cooke
City Manager